

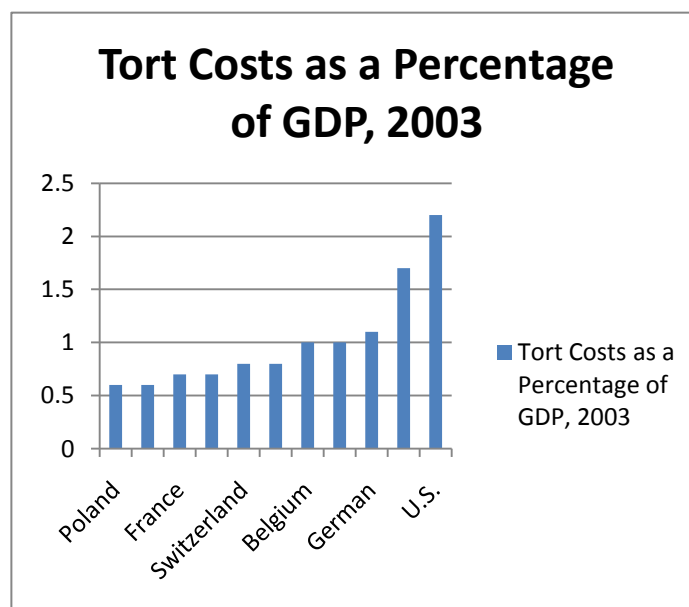
MANUFACTURING FOR TOMORROW

Congressman Chris Lee

TORT REFORM

Product liability judgments are often excessive, and lawsuit abuse costs jobs and drives up prices for all. In the United States, 7,800 tort cases are filed in state courts each day, according to the Pacific Institute, and the United States has the highest tort costs in the world. To ensure that our legal system does not work against U.S. companies to the advantage of foreign competitors, and so that our tort system produces justice, not profits, Chris Lee's *Manufacturing for Tomorrow* agenda will establish national uniformity in product liability law that:

- Makes the Loser Pay for Costs of Litigation – According to the Manhattan Institute for Policy Research, the direct costs of tort litigation was \$247 billion in 2006, or about \$825 per person in the United States. Businesses are regularly overwhelmed with frivolous lawsuits that they must settle if they hope to avoid crippling legal costs. Almost every economist who has studied loser pays predicts that it would, if adopted, reduce the number of low-merit lawsuits.
- Establishes a Reasonable Statute of Limitations – Statutes of limitations can vary widely based upon the seriousness of the perceived offense, and could range anywhere from one to 10 years or more. Establishing a reasonable statute of limitations ensures that businesses will not have to endure expensive legal costs for years before a suit is actually filed and can put those resources towards product development and job creation.
- Caps Punitive Damages – Awards for punitive damages must be more in line with compensatory damages to put an end to the out-of-control, punitive damages awards we have seen in recent years. Skyrocketing punitive damages have driven up costs for consumers and put companies and workers out of business. Placing a reasonable limit on punitive damages ensures our long-term economic prosperity and helps keep jobs in America.



Source: Tillinghast-Towers Perrin, "U.S. Tort Costs and Cross Border Perspectives"